

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE)
COMMISSION, ON ITS OWN MOTION,)
SEEKING TO INVESTIGATE WHETHER)
THE ZONES ESTABLISHED IN DOCKET)
NO. C-2516 ARE APPROPRIATE IN)
LIGHT OF NUSF-26 FINDINGS AND)
CONCLUSIONS.)

Application No. C-3554/PI-112

**REPLY COMMENTS OF
NEBRASKA TECHNOLOGY & TELECOMMUNICATIONS, INC.**

I. INTRODUCTION

Nebraska Technology & Telecommunications, Inc. (“NT&T”) reiterates the comments and positions taken in its initial comments, and briefly replies as set forth herein.

II. REPLY COMMENTS

A. NT&T urges the Commission to mandate that Qwest to offer UNEs at just, reasonable and nondiscriminatory rates.

NT&T opposes the adoption of the proposed Unifying Method (“UM”) largely because it would effectively kill competition for most out-of-town end user/customers in all of Qwest’s three zones. This position differs from that of Allo Communications, Mobius Communications and Pinpoint Communications (“Rural CETCs”), which have enthusiastically embraced the UM. NT&T suspects that the reason for this diversity of opinion among CLECs is due to a difference in each CLEC’s business plan and the end user/customers they desire to serve. NT&T’s business plan is to serve all customers in Qwest’s Nebraska exchanges—business and residential, in-town and out-of-town. NT&T has spent a significant amount of time, effort and expense signing up and providing service to residential customers in Qwest’s Zones 2 and 3, including many of whom are likely considered out-of-town. Upon information and belief, the Rural

CETCs have focused their energies on in-town businesses that, unless grandfathered, are not eligible for Nebraska Universal Service Fund (“NUSF”) support.

Despite this healthy diversity of opinion, NT&T suspects that its fellow CLECs are in agreement on one thing, *i.e.*, Qwest’s UNE rates are neither just nor reasonable. It remains NT&T’s position that, rather than adopting the UM as proposed, the Commission should open a new cost docket to establish Qwest’s actual cost-based rates utilizing the TELRIC pricing principles adopted in Application C-2516.

B. If the UM is adopted, a lengthy transition period will be required.

In the event the Commission adopts the UM, NT&T reluctantly requests in the alternative that a lengthy transition period be implemented so as to allow for the orderly transition of out-of-town customers from NT&T (and presumably other CLECs) back to Qwest. A lengthy transition period is required due to Qwest’s demonstrated inability to handle the mass transition of accounts in an orderly fashion. Moreover, NT&T urges the Commission to adopt additional safeguards to protect the end user/customers who will be forced to transition back to Qwest.

C. The UM should be based on Qwest’s QPP agreements.

In this proceeding, as well as NUSF 50–Progression Order No. 2, the Commission’s proposed models are premised on the unbundled network element loop (“UNE-L”) rate theoretically charged by Qwest to CLECs in Nebraska. However, in reality most CLECs like NT&T have been forced to enter into agreements with Qwest for Qwest Platform Plus™ (“QPP”) service, which permit the CLEC to lease the loop in combination with the local switching and shared transport network elements. Under these Qwest-drafted agreements Qwest

has retained tremendous flexibility in its ability to raise the rates it charges and services it provides.

So as to provide for a comprehensive understanding of how the UM would affect competition, NT&T urges the Commission to expand its analysis beyond the UNE-L rate. NT&T encourages the Commission to examine Qwest's QPP agreements to analyze the proposed UM in light of these agreements.

D. This proceeding should be consolidated with other related Commission proceedings.

NT&T agrees with Qwest that there is a significant degree of interrelatedness between the issues raised by this Docket and those currently under discussion in NUSF-50. Rather than continue to consider these issues in separate dockets, NT&T urges the Commission to either: (1) consolidate this proceeding with these related proceedings; or (2) open a new docket so that all of these issues can be considered together in a global fashion.

III. CONCLUSION

NT&T once again urges the Commission to fulfill its mandate from the Nebraska Legislature to "[p]romote fair competition in all Nebraska telecommunications markets in a manner consistent with the federal act." NEB.REV.STAT. §86-801 (emphasis added). "All" means in-town and out-of-town. "All" means serving business and residential consumers. "All" literally means every Qwest exchange in Nebraska, not just Omaha and not just Zone 1.

When considering the issues raised in this Docket, NT&T respectfully requests that the Commission adopt those policies that best facilitate local telecommunications competition in Nebraska.

DATE: May 26, 2006

NEBRASKA TECHNOLOGY & TELE-
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CERTIFICATE OF SERVICE

The undersigned hereby certifies that I caused a one original, five true and correct paper copies and one electronic copy in MS Word format of the foregoing Reply Comments of Nebraska Technology & Telecommunications, Inc. to be filed with the Nebraska Public Service Commission, and one true and correct copy to be sent by ordinary United States mail, first class postage prepaid, on this 26th day of May, 2006, addressed as shown below, to the following:

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